

Alaska Visitor Statistics Program VI

Summer 2011

Executive Summary



Conducted by



Alaska Department of Commerce,
Community, & Economic Development
Division of Economic Development

AVSP Overview

The Alaska Visitor Statistics Program (AVSP) is a statewide visitor study periodically commissioned by the Alaska Department of Commerce, Community, and Economic Development. The study provides state government and the tourism industry essential information on one of Alaska's major economic engines: out-of-state visitors. AVSP VI (the sixth generation of the program) consists of two main components:

Visitor Volume: The visitor volume estimate is a count of the number of out-of-state visitors exiting Alaska, by transportation mode, during the study period.

Visitor Survey: The visitor survey is administered to a sample of out-of-state visitors departing Alaska at all major exit points. The survey includes questions on trip purpose, transportation modes used, length of stay, destinations, lodging, activities, expenditures, satisfaction, trip planning, and demographics.

The study is undertaken in two stages: Summer 2011 (May 1-September 30) and Fall/Winter 2011-2012 (October 1-April 30). This report addresses the summer period.

Project Team

The AVSP VI project team was led by McDowell Group, Inc., a research and consulting firm with offices in Juneau and Anchorage. McDowell Group was assisted by Fusion MR of Portland, Oregon, and MR Data of Seaview, Washington.

Methodology

The visitor volume estimate was based on visitor/resident tallies of 54,605 travelers exiting Alaska at major exit points. The resulting ratios were applied, by month and by location, to traffic data (highway border crossings and airport enplanements) to arrive at visitor volume estimates. (Tallies of cruise passengers were not conducted because they are assumed to be 100 percent visitors. Tallies of ferry passengers were not conducted because the Alaska Marine Highway provides passenger residency information to the AVSP.)

The visitor survey included 3,563 intercept surveys (in-person interviews) and 3,184 surveys completed online, for a total of 6,747 surveys. Visitors were surveyed at all major exit points: airports, highways, cruise ship docks, and ferries. To obtain the online sample, "invitation cards" were distributed to visitors during intercept sample periods, inviting them to participate in the web-based survey. The response rate for the intercept survey was 85 percent; for the online survey, 10 percent. All data was weighted to reflect actual traffic volumes by mode of transportation.

Please see *Section VI: Methodology* for further details.

Visitor Volume

An estimated 1.56 million out-of-state visitors came to Alaska between May and September, 2011. Of this number, 883,000 were cruise ship passengers, 604,500 were air visitors (entered and exited the state by air), and 69,300 were highway/ferry visitors (entered or exited the state by highway or ferry).

The total visitation figure of 1,556,800 represents an increase of 2 percent over summer 2010; however, it is still 5 percent below 2006 volume of 1.63 million, and 9 percent below the 2007 historical peak of 1.71 million.

Since the last AVSP in 2006, the proportion of the market represented by cruise passengers declined from 59 percent to 57 percent. Over that same period, the proportion of air visitors increased from 36 to 39 percent, and the highway/ferry portion decreased from 5 to 4 percent.

The chart below shows how visitor volume has fluctuated by market over the last six years. The summers of 2009 and 2010 saw large decreases in reaction to the nationwide economic recession: air visitation declined significantly (by 15 percent) in 2009, while the large decline in cruise volume occurred in 2010 (by 14 percent). Although the air market has largely recovered, the cruise market is still significantly below peak levels. The overall increase of 2 percent in summer 2011 may represent the start of a rebound towards previous Alaska visitation levels. Cruise volume is projected to grow by 6 percent in 2012, and continued nationwide economic recovery should result in a boost for both the air and highway/ferry markets.

CHART 1.1 - Alaska Visitor Volume, Summer 2011, By Transportation Market

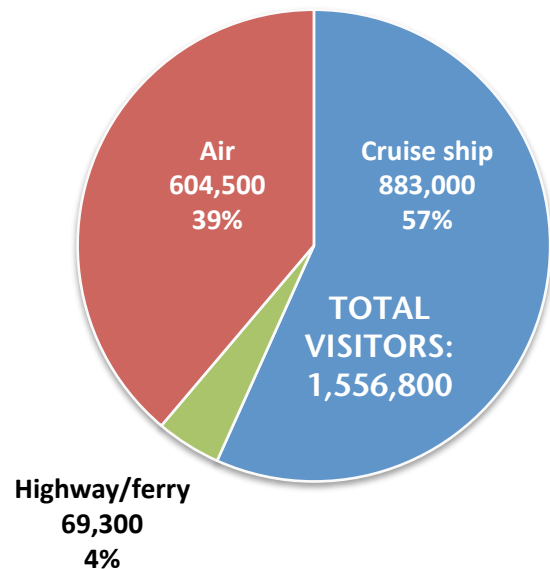
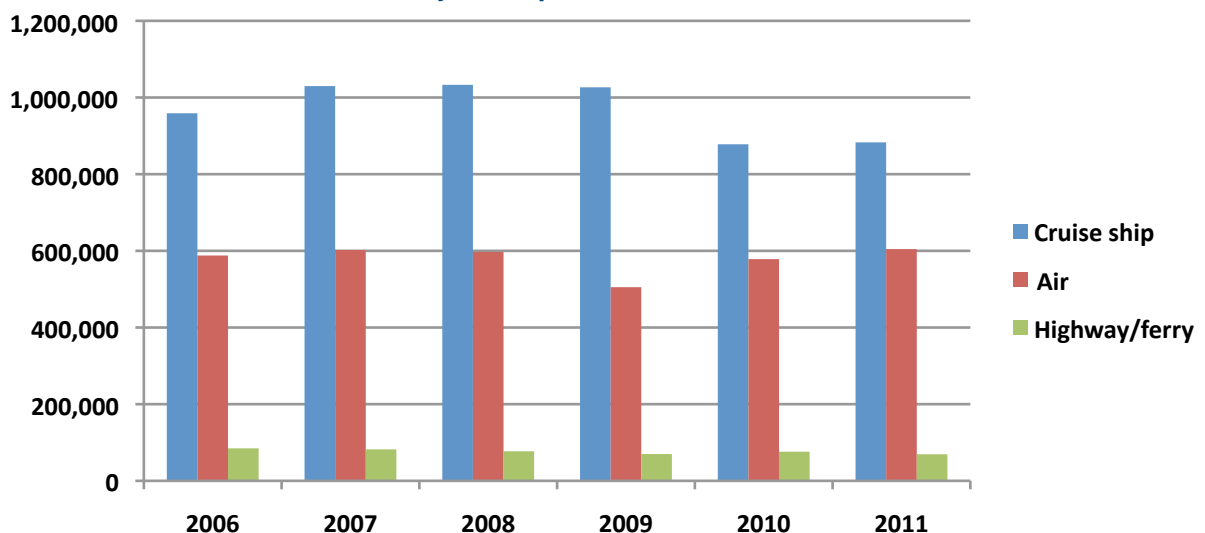


CHART 1.2 - Alaska Visitor Volume, Summers 2006-2011, By Transportation Market



Trip Purpose and Packages

Trip Purpose

Just over three-quarters of summer 2011 visitors were traveling for purposes of vacation/pleasure, with 14 percent traveling to visit friends or relatives (VFR), and 9 percent traveling for business-related purposes.

Trip purpose rates vary widely by market: the vacation/pleasure rate is highest among cruise visitors at 98 percent, compared to 80 percent of the highway/ferry market and 43 percent of the air market. Business-related travelers are much more likely to travel by air, representing 21 percent of that market.

Trip purpose rates saw a small but significant shift between 2006 and 2011: those traveling for vacation/pleasure declined by 5 percent, while those traveling to visit friends or relatives increased by 5 percent. These shifts were more pronounced in the air market.

Package vs. Independent

Two-thirds of summer visitors purchased a multi-day package as part of their Alaska visit. This figure includes 100 percent of cruise visitors, 18 percent of air visitors, and 7 percent of highway/ferry visitors.

Among non-cruise visitors who purchased a package, the most popular package types were fishing lodge (44 percent), wilderness lodge (16 percent), adventure tour (13 percent), and motorcoach tour (10 percent). In terms of cruise package type, cruise visitors were more likely to be on a round-trip cruise (59 percent) than on a cross-gulf cruise (39 percent). Nearly one-quarter participated in a land tour, and 27 percent traveled independently before or after their package.

Package purchase rates declined slightly between 2006 and 2011, from 69 to 66 percent, corresponding with the slight decrease in the proportion of cruise visitors. The proportion of round-trip cruise passengers increased, while the proportion of cross-gulf passengers decreased, reflecting itinerary shifts in the Alaska cruise market. There was little difference between 2006 and 2011 in terms of non-cruise package type.

CHART 1.3 - Trip Purpose

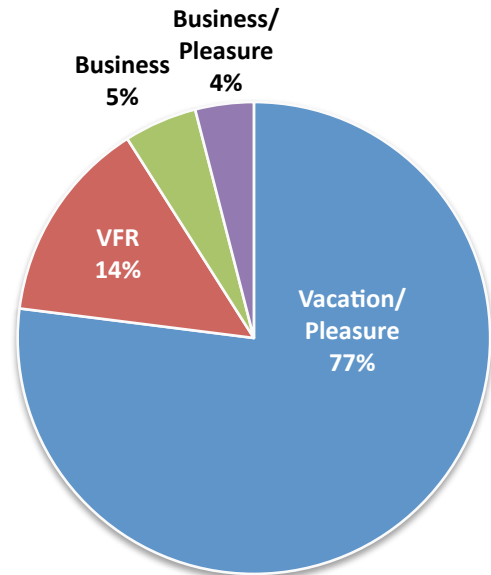
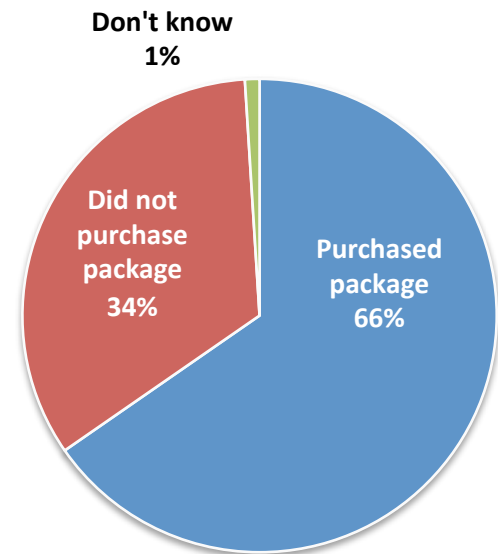


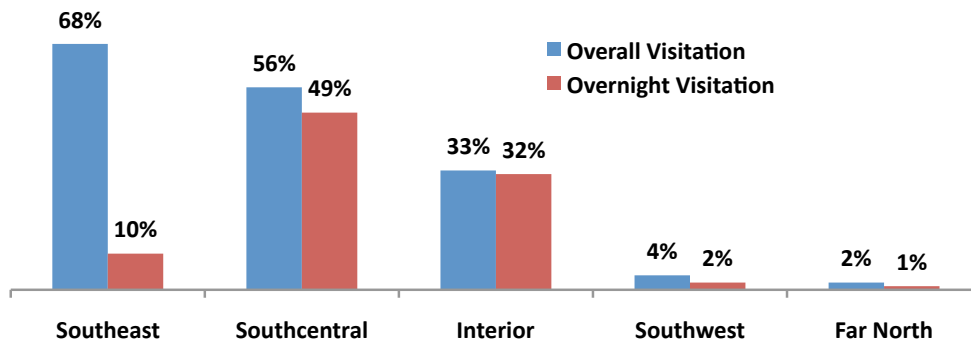
CHART 1.4 – Package Purchase



Destinations in Alaska

Southeast Alaska was the most visited region of the state, attracting 68 percent of all visitors. Southcentral attracted 56 percent, while the Interior received 33 percent. Southwest and Far North were much less frequently visited, at 4 and 2 percent, respectively. Because most Southeast Alaska visitors travel via cruise ship and do not overnight in communities, the region's share of overnight visitation falls to 10 percent. Regional visitation varied widely by transportation market: cruise visitors were much more likely to visit Southeast (99 percent), air visitors showed higher rates for Southcentral (80 percent), and highway/ferry visitors were the most likely to visit the Interior (58 percent).

CHART 1.5 - Regions Visited in Alaska, Overall and Overnight

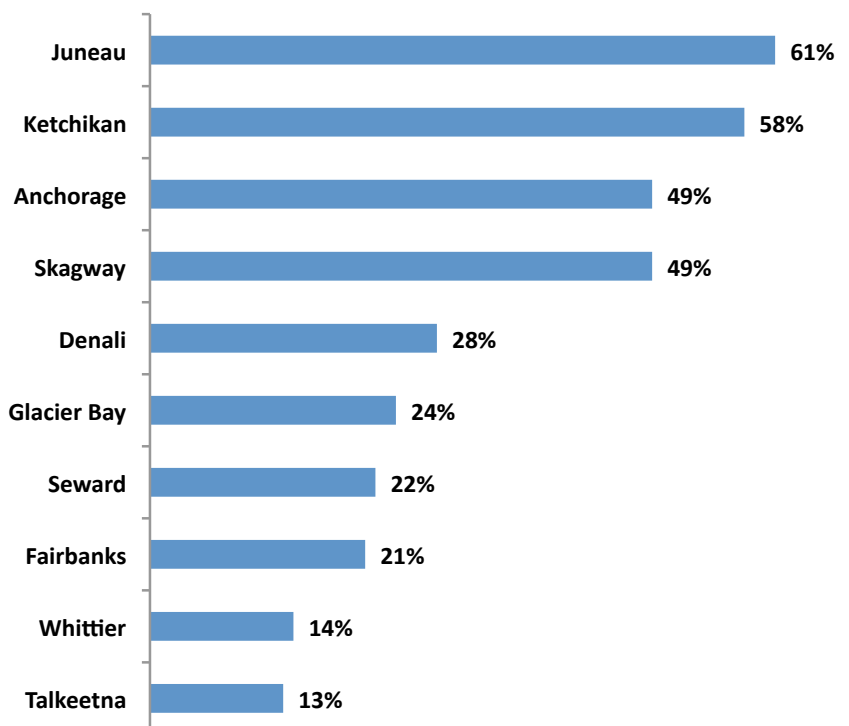


Regional visitation shifted minimally since 2006. The percentage visiting Southeast fell from 71 percent to 68 percent (reflecting the decrease in cruise traffic). Visitation rates for Southcentral and Interior held steady, while Southwest visitation increased by 1 percent, and Far North visitation declined by 1 percent.

Juneau was the most visited destination in the state at 61 percent, followed by Ketchikan at 58 percent, then Anchorage and Skagway, both at 49 percent. Two national parks, Denali and Glacier Bay, each attracted around one-quarter of visitors. Seven of the top ten destinations are cruise ship ports.

Community visitation rates showed slight shifts between 2006 and 2011. Declines of 1 to 8 percent in visitation to cruise ports reflect the cruise downturn. Lower visitation rates to some Southcentral and Interior communities correspond with a downturn in the highway/ferry market since 2006. Many community visitation rates held steady or increased between 2006 and 2011.

CHART 1.6 – Top 15 Alaska Destinations



Satisfaction Ratings

Alaska visitors rated their overall experience in Alaska highly, with 71 percent very satisfied and 27 percent satisfied. Less than 1 percent were dissatisfied. These ratings are very similar to those in 2006, with the rate of those very satisfied up by 1 percent, and dissatisfaction down by 1 percent.

Measured another way, visitors tended to rate their trip either much higher than their expectations (26 percent), or higher than their expectations (37 percent). Only 2 percent rated their trip below their expectations. The rate of those whose trip exceeded their expectations increased by 2 percent between 2006 and 2011; the rate of those whose trip fell below expectations fell by 3 percent.

When asked to rate their satisfaction by category, the highest rated aspects were friendliness of residents (69 percent very satisfied), sightseeing (67 percent), and tours and activities (63 percent). Lower rated aspects included shopping (29 percent very satisfied), value for the money (32 percent), and restaurants (37 percent). However, even in these categories, dissatisfaction ranged from only 4 to 6 percent.

Satisfaction differed in several categories by market, with cruise visitors more satisfied with accommodations, and highway/ferry visitors more satisfied with wildlife viewing and visitor information services.

Compared to 2006, satisfaction ratings increased in several categories, including wildlife viewing (those very satisfied increased by 5 percent), tours and activities (3 percent increase), and transportation within Alaska (2 percent increase). Ratings fell for restaurants (5 percent decrease). The number of dissatisfied ratings declined for most categories between 2006 and 2011.

CHART 1.7 – Satisfaction with Overall Alaska Experience

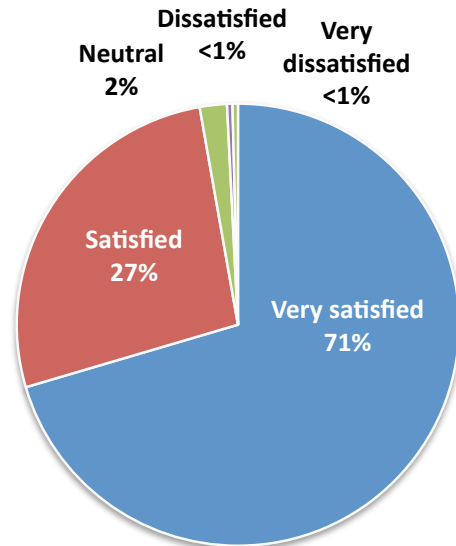
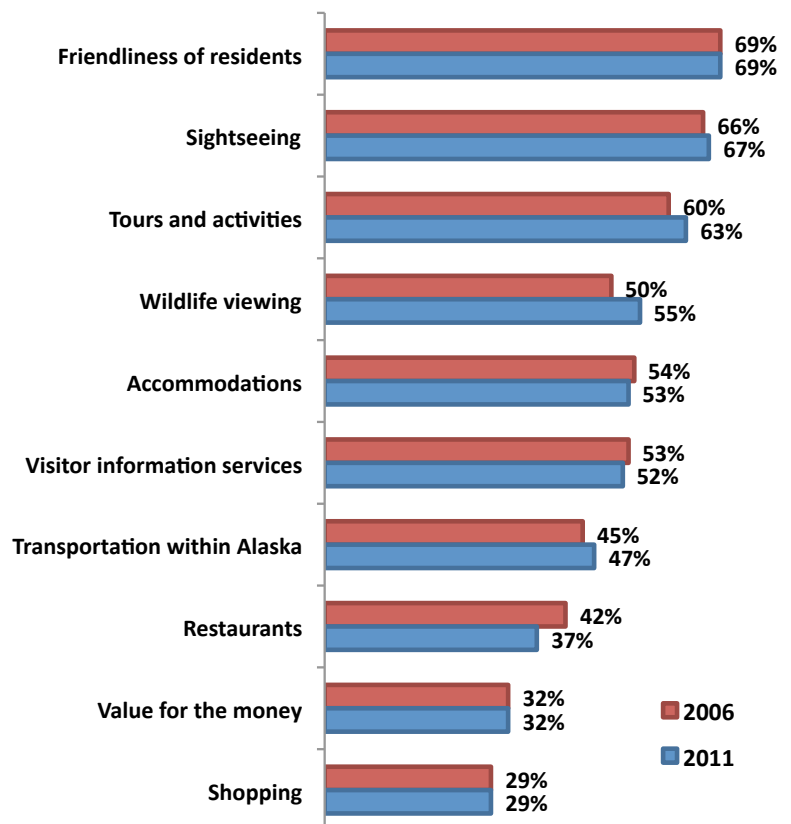


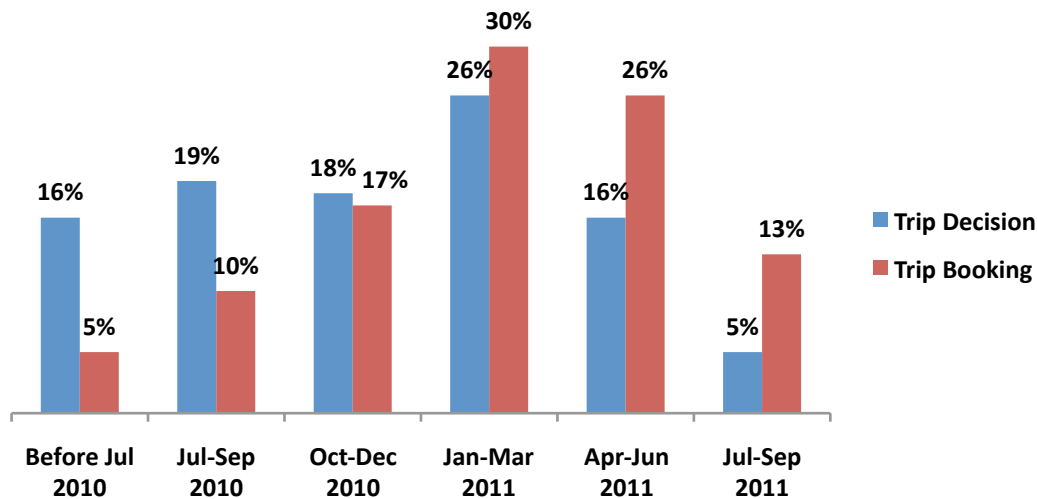
CHART 1.8 – Percent Very Satisfied, by Category, 2006 and 2011



Trip Planning

Visitors were asked two questions about the timing of their Alaska trip planning: when had they decided to come to Alaska, and when did they book their major travel arrangements. The most common time period for making the decision was January to March 2011 at 26 percent, followed by July to September 2010 at 19 percent. The most common time period for trip booking was January to March 2011 at 30 percent, followed by April to June 2011 at 26 percent. The average amount of time between the trip decision and the trip itself increased between 2006 and 2011 from 8.1 months to 8.6 months. The average advance time for booking the trip stayed exactly the same between 2006 and 2011 at 5.4 months.

CHART 1.9 - Time Periods for Alaska Trip Decision and Trip Booking



Four out of five Alaska visitors (81 percent) used the internet when planning their Alaska trip, including 83 percent of air visitors, 81 percent of cruise visitors, and 68 percent of highway/ferry visitors. Over half of visitors (56 percent) used the internet to book at least one portion of their trip. Online booking rates were highest among the air market at 70 percent, compared to 49 percent of cruise visitors and 36 percent of highway/ferry visitors.

Internet usage rates for trip planning increased significantly between 2006 and 2011, from 68 to 81 percent. Online booking rates likewise rose, from 42 to 56 percent. The most common trip components booked online were airfare (44 percent), tours (22 percent), lodging (19 percent), cruise (19 percent), and vehicle rental (11 percent).

Nearly half of visitors (47 percent) booked at least some component of their trip through a travel agent, down 5 percent from 2006.

CHART 1.10 – Internet Usage and Online Booking, 2006 and 2011

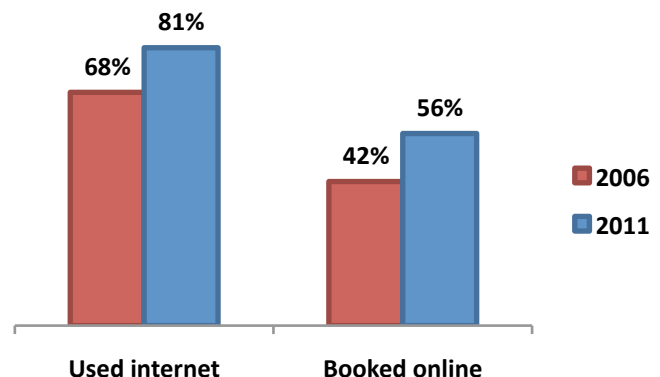
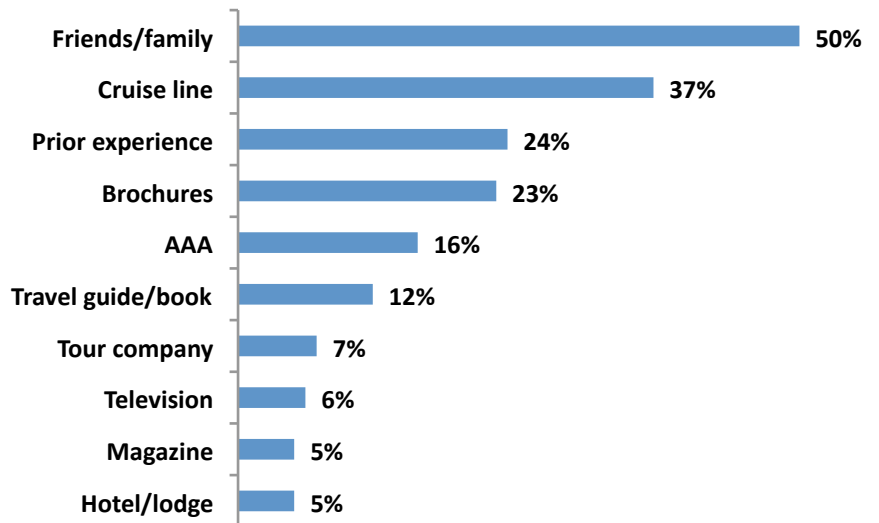


CHART 1.11 – Top Ten Additional Information Sources

Besides Internet/Travel Agent

After sharing information regarding internet and travel agent usage, visitors were shown a list of additional sources and asked which ones they used in planning their Alaska trip. Friends and family was the most common response at 50 percent, followed by cruise line at 37 percent, prior experience at 24 percent, and brochures at 23 percent.

One additional source was measured in a separate question: 17 percent of visitors said they had received the State of Alaska Official Vacation Planner, up 2 percent from 2006.



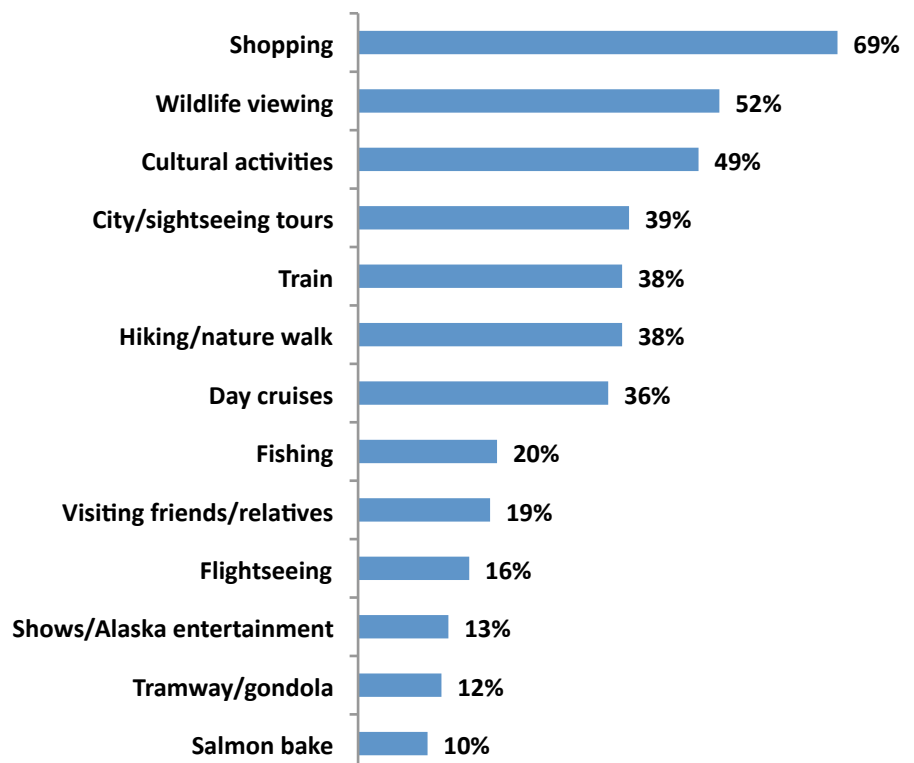
Activities

The number one activity in Alaska among summer 2011 visitors was shopping at 69 percent, followed by wildlife viewing at 52 percent and cultural activities at 49 percent. The category “cultural activities” includes museums (27 percent), historical/cultural attractions (25 percent), Native cultural tours/activities (17 percent), and gold panning/mine tours (15 percent).

CHART 1.12 - Top Ten Alaska Activities

Additional popular activities included city/sightseeing tours at 39 percent, train at 38 percent (including 26 percent for White Pass Yukon Route and 20 percent for Alaska Railroad), hiking/nature walk at 38 percent, and day cruises at 36 percent.

Cruise visitors were the most likely to participate in shopping, cultural activities, city/sightseeing tours, train, flightseeing, and shows/Alaska entertainment, among others. Air visitors were more likely to participate in fishing, hiking/nature walk, visiting friends/relatives, and business. Highway/ferry visitors participated in camping and museum visits at a higher rate.



Demographics

Among US markets, Alaska visitors were most likely to be from the West at 36 percent, followed by the South (22 percent), the Midwest (14 percent), and the East (11 percent). Canada accounted for 7 percent of visitors, while other international countries accounted for a total of 10 percent. California was the most commonly mentioned state of origin, followed by Washington, Texas, and Florida. Canadian visitors were most likely to be from British Columbia, followed by Ontario. International (non-Canadian) visitors were most likely to be from Europe, followed by Australia/New Zealand, then Asia.

Between 2006 and 2011, the percentage of visitors from the US fell by 2 percent, while Canada and the Other International category each increased by 1 percent. Within the US, the proportion of visitors from the West fell by 3 percent, while Southern visitors increased by 3 percent.

Average party size increased between 2006 and 2011, from 2.4 to 2.5 people, with party being defined as those sharing expenses. A new question in 2011 asked for “group” size, meaning any travel companions, regardless of expense-sharing. The average group size among visitors was 5.1 people.

Alaska visitors reported an average age of 50.7 years, ranging from 47.7 among air visitors, to 51.8 among highway/ferry visitors, and 52.3 among cruise visitors. The most common age groups were 55 to 64 (28 percent), 65 and older (24 percent), and 45 to 54 (19 percent). Average age decreased slightly between 2006 and 2011, from 51.6 to 50.7. The decline occurred in all three transportation markets.

One-quarter of Alaska visitors (24 percent) had children living in their household, down by 1 percent from 2006. Forty-one percent were retired or semi-retired, up by 2 percent from 2006. Six out of ten (60 percent) had earned at least a Bachelor’s degree, up 1 percent from 2006.

Alaska visitors reported an average annual household income of \$107,000 – a decline of 9 percent from the 2006 average (after adjusting for inflation).

CHART 1.13 – Alaska Visitor Origin

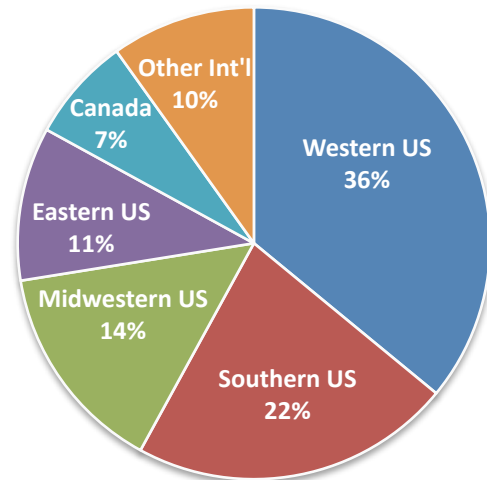
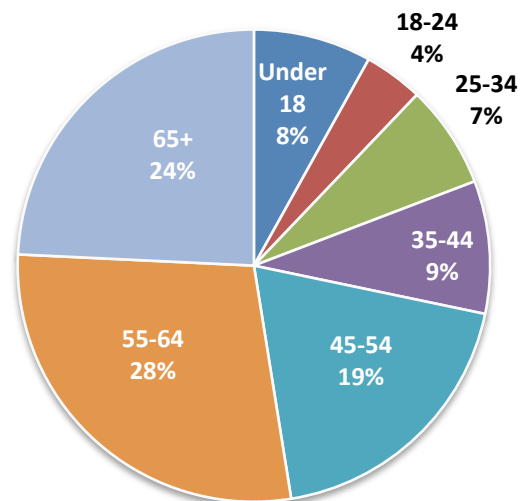


CHART 1.14 – Alaska Visitor Age Ranges



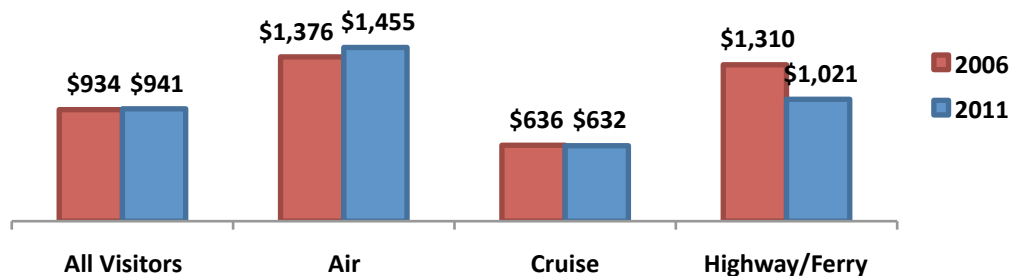
Expenditures

Alaska visitors spent an average of \$941 per person on their trip, excluding transportation to enter/exit the state and any cruise or cruise/tour package. This figure ranged from \$632 among cruise visitors, and \$1,021 among highway/ferry visitors, to \$1,455 among air visitors. The per-person, per-night figure among all visitors was \$102, ranging from \$74 among cruise visitors, to \$77 among highway/ferry visitors, to \$149 among air visitors.

Between 2006 and 2011, both per-trip and per-night spending were essentially flat, changing by less than 1 percent – from \$934 to \$941 per trip, and from \$103 to \$102 per night. Air visitors showed an increase in average spending, cruise visitor spending was flat, and highway/ferry visitor spending was down.

In terms of real (inflation-adjusted) dollars, per-person spending fell by 11 percent between 2006 and 2011. The decrease is likely due to a variety of factors, with the economic recession playing the largest role. In addition, the slight shift in visitor composition by trip purpose (with slightly fewer vacation/pleasure visitors and slightly more VFRs) is a factor. VFRs spent 19 percent less than vacation/pleasure visitors on a per-trip, per-person basis.

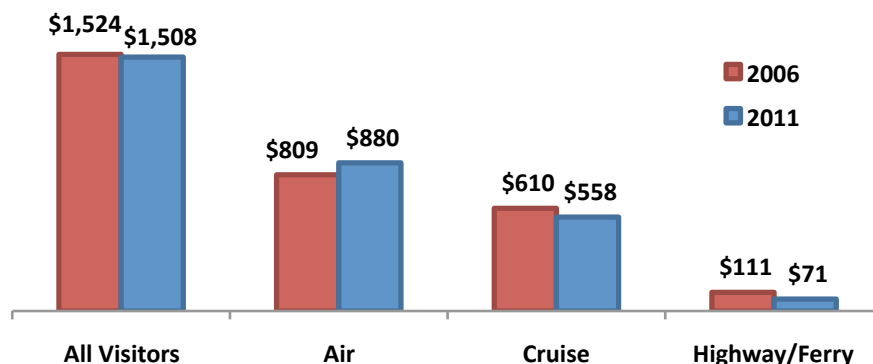
CHART 1.15 – Average Per-Person, Per-Trip Spending on Alaska Trip By Transportation Market, 2006 and 2011



Note: Excludes spending on transportation to enter/exit Alaska and cruise packages.

Alaska trip expenditures totaled \$1.51 billion in summer 2011, excluding transportation costs to enter/exit the state, and cruise packages. This figure is down by less than 1 percent from 2006; however, it represents a 13 percent decline in terms of real dollars.

CHART 1.16 – Total Visitor Expenditures in Alaska in Millions of Dollars By Transportation Market, 2006 and 2011



Note: Excludes spending on transportation to enter/exit Alaska and cruise packages.

